Vote No. 130

May 12, 1998, 6:27 pm Page S-4704 Temp. Record

UNAUTHORIZED PHONE SERVICE CHANGES (SLAMMING)/Final Passage

SUBJECT: Consumer Anti-Slamming Act of 1998 . . . S. 1618. Final passage, as amended.

ACTION: BILL PASSED, 99-0

SYNOPSIS: As amended and passed, S. 1618, the Consumer Anti-Slamming Act of 1998, will strengthen laws to stop a telecommunications carrier or reseller of telecommunications services from submitting or executing a change in any subscriber's selection of a provider of telephone exchange service or telephone toll service without the consent of that subscriber. Specifically, carriers or resellers: will have to follow certain minimum verification procedures before changing a subscriber's exchange service or toll service; will have to keep an oral, written, or electronic record of a subscriber authorizing a change in his or her exchange service or toll service; will have to send a written notification to a subscriber within 15 days of a change in his or her exchange service or toll service; and, if it fails to resolve a consumer complaint about a switch in phone services in 120 days (the Federal Communications Commission (FCC) may set a shorter timeframe), will have to provide that consumer information on filing an FCC complaint and will have to give that consumer any evidence it has that authorized that change. The FCC will adopt expedited, simple procedures for resolving such complaints. Minimum damages of \$500 may be awarded, and damages up to 3 times actual damages may be awarded. Unless there are mitigating circumstances, the minimum penalty for an unauthorized switching of telephone companies will be \$40,000 for a first offense and \$150,000 for each subsequent offense. States will have a right-of-action to bring civil actions on behalf of their citizens under this law. A report will be prepared on the 10 carriers that over the last year had the highest number of slamming complaints relative to the number of subscribers served. A report will be prepared on telemarketing practices for telephone exchange services and toll services.

Those favoring final passage contended:

Telephone deregulation has brought great benefits for consumers. Since the dismantling of AT&T, 500 new long-distance phone

(See other side)							
YEAS (99)				NAYS (0)		NOT VOTING (1)	
Republican (55 or 100%)		Democrats (44 or 100%)		Republicans (0 or 0%)	Democrats (0 or 0%)	Republicans	Democrats (1)
						(0)	
Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Faircloth Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Bingaman Boxer Breaux Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Graham Harkin Hollings Inouye	Johnson Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden			EXPLANAT 1—Official F 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

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companies have sprung up and long-distance phone rates have dropped by 60 percent. Unfortunately, some of those new companies engage in the illegal practice called "slamming," which is the switching of a consumer to their services without the permission of that consumer. In 1997 the FCC received 44,000 complaints of slamming. That number just represents the tip of the iceberg; AT&T estimates that 500,000 of its 80 million customers were slammed last year. Though that number still represents only a small fraction of the 50 million changes that consumers made last year, it is still unacceptable. These companies that are switching people without their permission, often to inferior and more expensive services, are guilty of theft. The FCC is having a hard time keeping up with the problem; this bill will put in place procedures that will greatly help end this illegal practice. We are pleased to vote in favor of final passage.

No arguments were expressed in opposition to final passage.